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## SPECULATIVE TIME, DEBT AND CLASS POLITICS

ECONOFICTION DEBT, DERIVATIVES, MARX, MARXISM, SPECULATIVE TIME, WAGE

Many of the catchy testimonies of critical sociologists, ranging from *Richard Sennett* to *Elena Esposito*, are that the future is always some distance from the present, protected from the here and now and not as an economic resource in the world Present in the markets should be traded. The economic use of the future in the present, which is often referred to as de-futurization, destroys the future as an open potential and as a space for possibilities. The constant reference to the future also brings forth a present that on the one hand is cut off from any narrative potential and on the other hand can no longer offer any form of security. However, there are also sociologists, such as *Helga Nowotny*, who oppose that the excessive orientation towards the future, which is thought to be separate from the present, does not destroy the present, but rather creates an unending present and a loss of time horizons. With *Bifo Berardi* she assumes that the current loss of the borders between past, present and future is not a normative, but a socio-economic question.

Lisa Adkins surprisingly draws attention to the sociological writings of *Pierre Bourdieu* in her book *Time of Money* to limit the Problem of Time, which assumes that the future is not characterized by possibilities that may or may not occur, and that are distinguished by a distance from the present, but rather that the future is always present in the here and now, although this is not experienced. Adkins refers to the illustration of this thesis on the football game in which an upcoming game situation is not easily possible, but is already present in the configuration of the game in the now. However, the inscription of the future into immediate presence is not simply given in and through practice, but is constituted in the relationship between habitus and the world. The social fields are only recognizable and permanent in their logic if there are agents who operate in them with their pre-reflexive dispositions and habits. These dispositions contain routines and habits that sustain the present, but also practical anticipations of the future, insofar as these are already inscribed as an objective potential or trace in the immediately given. Thus, the present economic field indicates a calculable future, because the agents in it operate with their routines, insofar as they constitute a basis for practical anticipations. For Bourdieu, however, this experience does not imply the rational calculus of neoclassical risk management because the practical anticipations of the future require more unconscious and collective habits and structures that can always overthrow the rational agent out of line. For Bourdieu, practice is not something that takes place in time, but it (like events) generates time, practice is temporalization.

In industrial capitalism, and here it is not Bourdieu but Thompson, according to Adkins, that abstract working time was the unity upon which exchange was based, and therefore time was money. The rates of profit were related to the speed of production, and

economic events were measured in units of time, that is, in abstract, quantitative, homogeneous, and reversible units of time. As a form of time, the time is exogenous to the practices and events, it is an external measurement of events defined as production rates, profit rates, working day times, etc. The economic events did not produce time, but took place in time. At this point Bourdieu misses specific characteristics of exogenous time, all-indications of which at the analysis of today's financial system again become interesting as far as the current financial practices refer to diffusion of hegemonial time, to a form of time, to events and Time to run away in a river. In order to clarify her thesis, Adkins first points to a specific financial instrument, namely the curve of US government bond yields, which implies a relation between interest rates and the various maturities of the bonds. The curve is a benchmark for the future value of other forms of debt, such as mortgages, so it is considered a barometer for general economic developments and perspectives, yes, the collective access to the markets to the future. Their triumphal procession must be understood in the context of the end of *Keynesianism* and a series of new infrastructural measures in the 1970s that set in motion an expansive dynamic of lending and debt economics. Consider, for example, the promotion of financial expansion by the Fed, floating of the US dollar and interest rates, insurance of loans, the yielding capacity of new financial instruments, the division of the population into creditworthy and non-creditworthy groups, the replacement permanent wage contracts through contingent employment, income volatility, the emergence of new financial instruments / derivatives and new financial institutions. The expansion of the capacity of companies, households and governments to shoulder their credit debts requires a set of institutional arrangements. After the financial crisis of 2008, these infrastructures of the financial system were further expanded. Floating interest rates and the US dollar has renewed the relationship between time and money, more precisely between time and the profit outlook on government bonds. Time now becomes itself part of the new financial instruments and their operations and thus an event in itself. And digitized calculation today offers the possibility to calculate the relations between future time points in time. It generates new profit opportunities with regard to the calculation of temporal relationships, thus increasing the profitability of financial securities and other financial instruments. This also indicates a transformation of the *materiality* of the collateral and derivatives. Insofar as discrete economic objects can be connected in time and measured over time, and thus new profit potentials can be created, the securities can be understood as a continuum of moments. The floating of prices and the volatility seen in trading practices today require the trading of *temporalized* securities that are not temporal in nature but are themselves temporal forms and therefore can be capitalized. Time itself now becomes the object of innovation and imagination and this is condensed into the statement that money is time. For Adkins, this is not about the commodification of the future, but about the transformation of time itself. In the derivatives markets, the financial objects themselves are now mutating into forms of time, indeed the time of these objects is constituted by the techniques and practices of financial markets, practices, which open the time of derivatives for innovative strategies for the creation of profits. Derivatives have their own time profiles, counterparts and futures that are open to their constant recalibration. Derivatives and collateral are themselves to be understood as forms of the time.

In the second chapter of her book, Adkins discusses austerity policy as a political strategy that expands and expands the debt economy and, as a result, raises the productivity of populations to generate added value through the movements and flows of money. Specifically, this means cutting government spending at the expense of low-income populations and those who have no access to financial assets. The austerity policy thus includes a class-specific put option, which now affects the majority of populations, even in capitalist core countries, and which is also to be extended to questions of gender and race. This policy does not just favor the rich and the financial elites, but especially those who have or have access to the financial markets and assets on a large scale, be it mortgage contracts, loans and derivatives that are being traded on the financial markets. To understand this, Adkins comes back to the problem of the expansion of the financial system since the 1970s, which a) exploded financial institutions and instruments, b) is not employment-intensive, and c) is increasingly integrated into the daily lives of the populations becomes. Not only banks, hedge funds, and financial elites operate in the financial fields to gain speculative gains in asset trading, but increasingly the middle class and low-income layers in their everyday lives. Thus, everyday life must be designed and configured as a space for financial investment. Speculative rationality is now moving into everyday financial life.

And so money is also transformed as a mediator or as a means of exchanging goods and as a measure of value, by itself as a specific commodity (capital as a commodity) is interchangeable with itself and generated in its specific movement financial surplus, for example in the form of insurance of credit debt. Income streams resulting from consumer credit, mortgages and other debts (and the contracts between households and the financial institutions that insure them) "link" households to operations in global financial markets. Now, when money itself acts as a commodity, at that point it loses its function as a measure of value and as a general equivalent, transforming itself into value, having new capacities and attributes, think of the transformation and consolidation of credit and bonds into the attributes prices and interest rates, whereby these attributes can be bundled into a multitude of variations and then traded, the possibilities of which are at least virtually endless. In the conceptual definition of derivatives Adkins remains confused when she writes, for example, that money here has taken on the characteristics of capital and capital that of money. At the same time she writes of money as capital as a specific commodity of capital. It therefore brings the terms commodity, money and capital into play without specifying a definition. But that should not interest us here, because we have dealt with the problem in detail elsewhere. We define derivatives as speculative capital, as opposed to John Milios (specific commodity) and Bryan / Rafferty (money).

Adkins writes that derivatives are setting things in motion and that this should be seen in relation to consumer credit and mortgage contracts. And even flows of income stemming from other aspects of everyday life, such as student loans, bills for mobile phones, household bills for water and electricity, etc., would be fed into the new financial instruments as inputs and thus even unsuspecting households with their small incomes would be over certain chains are now dependent on derivatives trading

in global financial markets. Randy Martin has described this as the financialization of everyday life. In doing so, the various forms of day to day credit are broken down to a few attributes with new financial instruments such as CDOs (securitization, bundling different types of loans) and then traded in a variety of combinations on the financial markets.

This type of indebtedness through everyday loans is in a special relationship to the wage, which is increasingly contingent in its various forms and defies the standardizations won by the unions. The wage work itself becomes uncertain, sporadic and unpredictable. In addition, real wages have stagnated in the last thirty years. Thus, many households can only secure their reproduction by increasing the debt. Under conditions of temporary and temporary employment contracts, austerity policies and stagnant wages, low and middle income households simply need to increase their debts today, thereby helping to expand and multiply the extraction of a surplus generated by money and finance. Increasing personal debt and dependence on specific financial risks is only a partial aspect of the financial regime of accumulation; moreover, households today are increasingly dependent on women's incomes and wages, no matter how volatile or precarious these incomes are.

Women are increasingly being forced into and integrated into the post-Ford labor market, whether as wage labor in the area of social welfare and care services, or even precariously paid work in the home. A new institutionalized model of adult work has replaced the old Fordist model of the family; the former is a model in which all adults should be tied to work and employment, or at least integrated into the constant search for new employment opportunities. For example, women are subject to multiple burdens – short-term employment or wage labor, housework and child rearing – and, when low wages require indebtedness, even generate a small investment in household and social reproduction. It was through these mechanisms that the family was re-invented and reorganized in post-Fordism, with a new staging of self-responsibility and the associated link to the financial system. While in Fordism the heterosexual family functioned as a place of male labor and consumer demand reproduction (plus welfare contributions), in post-Fordism the family transforms into a self sufficient economic unit and / or an area of investment when the family to reproduce through private debts and operate through a set of economic responsibilities tied to the financial markets. Thus, even the family becomes a small business, as women redefine social reproduction as a kind of enterprise becomes imperative of employment be subjected. For post-Fordism, the feminization of survival is essential. And often enough, women's wages act as a sort of "leveraging" and "speculation" to gain access to insured forms of credit with banks and other lending institutions, to ensure the daily lives of households, especially with regard to financing benefits, previously taken over by the state or the capitalists.

Wages are thus moved by serving as the basis for access to loans and mortgages for which regular payments have to be made. Wages, according to Adkins, are not to be understood here as a means for the exchange of goods, but rather as a commodity or as a form of money which is a value in itself. Again, we find the mixing of money, goods and capital at Adkins. At least it can be said that wages correlate with debt and can also generate a small capital x with the purchase of securities. Workers and employees now have to speculate themselves, albeit to a very limited extent, on their everyday money in order to get things moving. Not only are households increasingly dependent on women's wages, but also on what these wages can set in terms of borrowing potential. Households are thus literally driven into neoliberal risk production, and today this also applies to low and middle income households. This will make households dependent in a specifically asymmetric way on the fluctuations in the financial markets. Housing, Regeneration, Education and Health – areas of social reproduction for which the welfare state had contributed in Fordism are now becoming financialized, with households taking additional risks in securing their social reproduction through borrowing. A new topology of linking the population to the financial risk is thereby created. When it comes to justice issues, it is no longer just about focusing on the redistribution of income, but also about the distribution of financial risks.

The period of contractually settled debts of households and persons as well as the insured debt needs to be analyzed in detail in order to understand the integration of the population into the debt economy and the expansion of the potential of the population to be able to carry out a positive risk management. Again, this requires an understanding of the logic of speculation as a specific historical mode of accumulation and social organization. On the one hand it concerns the quantitative increase of the private debts in the capitalist core countries, on the other hand the future income streams, which result from the contractually regulated debts, and their connection to current accumulation strategies of the capital, ie to the productivity of the debts regarding the generation of surplus via money and finance. Potent lenders such as banks are now incorporating a structural balance of power, especially when it comes to their position within household debt crises, which as borrowers often have no choice but to go into debt. If Marx has labeled the workers wage slaves, debt must be understood as an asymmetrical relation in which the small debtors are debt slaves. Usually, the time dimension of debt is based on borrowers' promise to make future payments, thus closing the door to an open future for borrowers who no longer have the ability to tap into the potential of time. Against the idea that debts are a destruction of time, the destruction of the possibilities in the present and the future, Adkins wants to point out that the debt is now more of a generative moment in time. This shifts the logic of debt repayment to the logic of possible payments, and the movement of payment dates and deadlines, which corresponds to a logic of probability, shifts to a logic of the possible. This logic binds the indebted subject to a time when the past, present and future are no longer in a fixed relation to one another; rather, time is now open to any kind of revision. This form of time Adkins calls 'speculative time'; it is tied to the logic of money and finance, and in particular to the process of loan securitization (CDO), which has created new ways of extracting profits for financial capital, including the capitalization of household income streams. The mass debt inherent in a new order of time, in which the productivity of the population in terms of the generation of surplus value – from the streams of everyday money – to be maximized. This reorganization of the social requires specific modes of practice, with the architecture of debts again requiring specific temporal rhythms, sequences, patterns, and sensations.

Debts, therefore, contain a temporal relation defined by time: they require a promise to pay at a time that has not yet been reached, that is, in the future, and that is the deferral of the present in favor of a contractually regulated future is known even before she enters. In terms of time, debt operates with a double movement: the promise to pay includes postponement and anticipation. It can be assumed that the economic survival of the majority of the population in the capitalist core countries today depends on the debt economy. *Lazzarato* noted a few years ago that increasingly larger parts of life are sucked into the debt economy, so that financial risks and financial costs ultimately end up throughout life. Against *Lazzarato*, however, Adkins argues that debts have a complexity that can not be reduced to the loss of (open) time and appropriation, that is, a dated time of repayments that a punctured and uniform subject demands, a subject that sanctions avoids repayments on time. The calendar time is external to the actions and is not affected by contexts, so it is not variable, although it has a massive effect on the contexts. According to Adkins and *Frederici*, the disciplinary action according to the time is strongly geared towards the female subject in the home and requires the connection to the time. It involves operating with temporal patterns and schedules, but this does not refer to any emptying or the conclusion of time, but to a temporal universe characterized by rhythms and breaks in the flow of uniformity.

This changes once again with the financialization of debt or the existence of the calculus of securitized debt (consumer loans and mortgages). Securitization is the process of accumulating, bundling, and turning contractually secured debt into liquid assets that can be traded on the financial markets. Not only has this created new opportunities in the creation of the surplus for financial capital, it has also increased the possibilities of realizing returns hidden in mortgages and consumer credit. Thus, the "everyday" loans are drawn into the capital markets. And it also transforms the payment deadlines and plans of debt, which are now no longer uniform, regular and sequential but flexible, variable and adaptable. Repayment schedules can now be stretched, slowed, accelerated, reorganized and reset. Both the variable payment rooms for repayment and the calculation of the lending are not focused on a future end point, at which the debt is then finally repaid, but on the current and potential service of debt, i.e. towards possible, future payments instead of repayments. Thus, loans, mortgages and other debts are subject to permanent adaptation and are also filled with options so that, for example, a period of high interest payments may be followed by exemption of payments for a particular period. Even long-term credit is no longer tied solely to the indexation of future and probable wage payments (based on known wages in the present); instead, wages and incomes are more related to potential and opportunities for future debt servicing. Instead of proceeding from the calculation of the probable projected by the present into the future, the calculus of the insured debts refers to the calculation of possible futures. The future does not unfold from a known present; rather, the present is rehabilitated by coming futures that may or may not come. At the same time, resources are transferred from the future to the present, from futures that have not yet occurred or will never occur. The statistical calculation of probability is replaced by the algorithmic ordering of the possible, from which new practices should be set in motion. Rouvry and Stiegler, in the context of the analysis of a new form of algorithmic governance and a post-current reality, have pointed out very early that today it is no longer a matter of calculating probability, but of considering in advance what probability is flees and thus makes possible the excess of the possible. The state also uses the new methods and techniques to model the possible, for example by means of software, risk management, biometric procedures and private consulting. These techniques allow for a new form of algorithmic governance and power that focuses on potential futures and acts through preemptive action. One now reads traces that lead from possible futures to the present.

Debt productivity is based not only on the accumulation of profits that are just related to debt, especially interest paid in fixed blocks of future time, but in the accumulation of profits generated by trading debt in the future time itself works; constitutive are: contractually fixed income streams, their gains and losses on debts, and the "bets" on those gains and losses, that is, breaking down the credits on a few attributes and then bundling, pricing and trading those attributes within that through the risk rated tranches. This experimental treatment of debt is now itself a source of profit. Profits result in financial capital, including from derivatives trading, debt restructuring and auctions with loans, CDOs and CDS. The time accompanying these financial operations is speculative, at least it has a speculative component. Adkins again refers to Bryan and Rafferty, authors who refer to derivatives as a form of money. But if derivatives must be realized in money, then they themselves are not money, but at best speculative capital or a specific commodity, that of money as capital. In any case, these financial instruments have liquidity and the potential for transfer that is not tied to the ownership of an underlying asset to which the derivative relates. In the same breath Adkins speaks again of the commodity properties of derivatives, even capital. Anyway, at any rate, she agrees that derivatives are not fictitious capital, but, as we would say, speculative capital that is material and real.

Speculative time is a time when the past, present and future are not in a pre-determined relation or linearity, but are processed in a continuum of movement, transformation and unfolding. The future can not only access the present, but also the past. The present and its relations to the past and future can again be subjected to a permanent reset within an action. Past and present can be pushed into the future and future and present in the past. The rivers of these non-chronological pasts, counterparts and futures, including their resettling and reorganization, and even their suspension, can easily serve to increase profits. The time of the insured debts and profits insists in a non-chronological and indeterminate movement of speculative time.

At this time, and especially in the context of their economic productivity, accumulation must be done through debt (the changing schedules of debt of persons and households that can be delayed, accelerated and reorganized). The calendar-oriented time of repayment is now added to the calendar time of payment, which binds the subject to the non-determinate time of speculation. During this time, financial activities are mobilized and intensified; It is a time when past, present and future are in a continuous flow of revision. The *financialized* subject no longer whines about the emptiness of time, the loss of the future or the temporal orientation, but this subject is always ready to happily attack the re-calibrations of past, present and future plus their relations and

stages among themselves. And this subject has not too little, but too much time, that of the event and the non-chronological flow of time. The time of the insured debt inscribes into the present the speculative time. This does not include a practice of temporalization, as Bourdieu still assumes, but a practice of speculation that seeks to maximize the capacity of the population to make possible payments across entire lifeworlds. For the process of securitization involves rewriting the social life of the populations, which is now integrated into the financial system and its risk production: the creditworthiness of sections of the population is added to the extended logic of paying for the possible.

Adkins has been following the transformations in the financial system since the 1970s in the development of new financial instruments, the securitization of loans in particular, austerity policies, and the integration of the population into the financial circuits. From this she draws further conclusions: According to Bretton Woods, the financial markets have changed the relationship between time and money, and have set in motion a radical temporalization of securitization, whose profit opportunities are just in time. The policy of austerity will expand the debt economy, increase the productivity of the population in terms of generating surplus via the movements and flows of money. With regard to long-term financing strategies, the "everyday money" has been integrated into the financial circuits. Loans are becoming more and more necessary for parts of the population in order to survive economically. This leads to a restructuring of the class relations and the social total, to the everyday financial practices that are infected by speculative mechanisms. In particular, the reduction of wages drives households into debt economics, where they have to speculate on their reduced incomes.

If both wage labor and the reproduction of life become increasingly precarious, then many workers and employees run the risk of slipping into sub-proletarian areas. The main role of wage labor, which takes place in productive production processes, is waning in the western core countries. This increases the proportion of those who have to do without regular pay in the context of precarious work. But for Adkins, even today, most wages have the same rationality as the new forms of financial instruments.

Stagnation and the reduction of real wages are a characteristic of the post-Fordist era. Adkins quotes David Harvey as suggesting that the stagnation of real wages is the result of the dissolution of the social pact in Fordism, that is, a continuing attack on the organizations of the labor movement and a period of consolidation of the power of capital.

However, in financialized post-Fordism, wages are characterized not only by their stagnation but also by their volatility and insecurity. The crisis of social reproduction is exacerbated by the dismantling of the welfare state (health, care, education, housing, etc.). These factors, combined with stagnating real wages, have widened the gap between real disposable income and what is needed for life. For the insecure wages today even the zero-hour contracts are exemplary, which no longer specify a specific working time and wage level and require a permanent willingness to work. Consider also the many forms of non-tariff treaties. At the same time, household debt service has increased: mortgages, loans and student loans have taken the form of insured loans, contracted debt transformed into assets by specific financial instruments and traded on the financial markets. Thus, the productivity of contracted debts becomes central to the process of accumulation via insured debt. The creation of the indebted consumer now serves as a »solution« for stagnating wages and has changed the wage employment relationship itself. Debt is also continuously measured and its rise is confirmed empirically today by rising income-debt ratios, with more focus on rising debt than on wages. Under the conditions of expanding debt, workers are being exploited not only by the wage-labor relationship, but also by their attachment to banks and other financial institutions via credit.

If workers and employees have to borrow because of their usually too low wages (to secure their social reproduction), then they are, so to speak, trading their wages to gain access to money that can set something in motion, that is, they relate to qualities of money that is not yet available, but can release untapped potential. In the tendency, now even the worker can become a small investor subject who has access to assets (eg, insurance). Like derivatives from the underlying assets, wages can be separated to some extent from the labor force to serve as the basis for indebtedness excesses. To answer that, a new left-wing speculative policy must be envisaged that also looks into the rights and conditions of employees who need to use money to move money.

translated by **Dejan Stojkovski** from OnScenes

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